CON Task Force Issue Brief

State Health Plan

Statement of the Issue

How can the State Health Plan be strengthened to support the Certificate of Need program?

Summary of Public Comments

Adventist HealthCare commented that the current State Health Plan includes elements that are outdated or unnecessary. The document should be reviewed and updated regularly, especially since the State Health Plan is the primary tool for determining need for health care services in Maryland. According to Adventist HealthCare, the credibility of the CON oversight process is enhanced with an updated State Health Plan.

Andrew L. Solberg recommended that the State Health Plan be revised. According to Solberg, the Commission has not undertaken a comprehensive, integrated revision of the State Health Plan in many years. Consequently, the Commission does not appear to have a comprehensive vision of where the health system should be headed, and many standards in the sections are no longer relevant to improving health care. According to Solberg, the lack of planning efforts has marginalized the Commission. Solberg provided his review of each standard in the acute care chapter of the State Health Plan.

Carroll Hospital Center recommended that the State Health Plan be updated. According to Carroll Hospital Center, there are many standards in the State Health Plan that are not current or no longer relevant. In the acute care chapter, the square footage guidelines should be updated to reflect current AIA guidelines and the OB standards should be removed since they are now covered in a separate chapter. Carroll Hospital Center states that MHCC often uses other guidelines and standards to review projects that are cross-referenced but not contained in the State Health Plan and may be difficult to locate when completing the application. Carroll Hospital Center believes that all applicable standards should be in the State Health Plan or on the MHCC website.

Comments from **Civista Medical Center** state that the State Health Plan should be updated and kept current. According to Civista, many of the current system standards are obsolete and/or redundant and should be repealed. Other, such as the American Institute of Architects (AIA) guidelines for square footage, should be adopted. Civista also recommended that the use of standards not “formally” adopted in the State Health Plan be eliminated. The use of American College of Emergency Physician (ACEP) guidelines in reviewing emergency department expansions was cited by Civista.

James A. Forsyth, Esq. stated that the Commission should eliminate State Health Plan Long Term Care review standards which are duplicative of existing DHMH (OHCQ) regulations. According to Forsyth, these include standards concerning multiple bed rooms, public water, facility and unit design, appropriate living environment, transfer and referral agreements, and public information and protection.

Howard Sollins, Esq., on behalf of the **Health Facilities Association of Maryland**, states that the State Health Plan should be reviewed and kept updated. This is particularly the case with long term care services. According to Sollins, HFAM looks forward to participating in an inclusive health planning process that considers how existing resources and expertise can be used effectively.

LifeBridge Health recommended that the State Health Plan be subjected to a prompt and comprehensive review to ensure that each standard is directly relevant to an articulable public policy goal. According the Lifebridge Health, too much provider, staff, and Commission time is being spent trying to assess compliance with standards whose purpose is unclear or obsolete.

Mercy Health Services supported the recommendations of the MHA and also recommended that the bed need methodology in the acute care chapter of the State Health Plan be revised to consider hospitals serving multiple jurisdictions. According to Mercy, several assumptions in the State Health Plan should be changed, including the target year for projection. Mercy believes that the Commission should use a ten-year, rather than an eight year planning horizon. Extending the planning horizon in this manner enables hospitals to better plan their future needs over the long term. An alternative to extending the planning horizon would be to permit hospitals to: (1) build shell space in instances when it would be more cost-effective to do so now rather than adding that space in the future; or (2) replace existing antiquated space without demolishing that space or simultaneously converting it to another use. Mercy recommends that hospitals that are “land locked” be allowed to replace existing antiquated inpatient space, even though that space will not be demolished or be converted to a different use simultaneously. In addition, Mercy recommends that standard .06B(9) in the Acute Care chapter of the State Health Plan, which identifies the maximum amount of departmental gross square feet for new construction projects, be updated to reflect AIA guidelines, new patient safety standards, and the “move” to constructing new facilities or additions with all private rooms. In establishing new standards, Mercy recommends that the Commission review how other states address this topic.

The Maryland Hospital Association (MHA) recommended that the State Health Plan be updated. According the MHA, a solid CON process depends in large part on the quality of the review standards that are used. It has been almost ten years since the current State Health Plan for acute care services has been updated with regard to review criteria and standards for the CON process. Given the rapid changes in the health care environment, a periodic update of the State Health Plan section on acute care services is an essential part of improving the current CON process. The MHA recommended use of the AIA guidelines for square footage and the elimination of many existing plan standards. MHA recommended that any standard used in the regulatory process for CON reviews be promulgated in advance and be part of the State Health Plan review criteria. In addition, MHA recommended that total available physical bed capacity and bed space be better defined. MHA advocated allowing hospitals to construct shell space under certain circumstances and within certain parameters to support the efficient use of health care dollars.

Southern Maryland Hospital Center (SMHC) recommended updating the State Health Plan and keeping it current.

Suburban Hospital supported the MHA comments regarding regular updates to the State Health Plan to ensure that current standards support the evolving health care environment.

Background

Under Health-General Article §19-118, the Commission is required at least every five years to adopt a State Health Plan. The plan shall include: the methodologies, standards, and criteria for certificate of need review; and, priority for conversion of acute capacity to alternative uses where appropriate. The State Health Plan is organized in 10 chapters:

COMAR 10.24.07	Overview, Psychiatric Services
COMAR 10.24.08	Long Term Care Services
COMAR 10.24.09	Specialized Health Care Services-Acute Inpatient Rehabilitation Services
COMAR 10.24.10	Acute Inpatient Services
COMAR 10.24.11	Ambulatory Surgical Services
COMAR 10.24.12	Acute Hospital Inpatient Obstetric Services
COMAR 10.24.14	Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services
COMAR 10.24.15	Specialized Health Care Services-Organ Transplant Services
COMAR 10.24.17	Specialized Health Care Services-Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services
COMAR 10.24.18	Specialized Health Care Services-Neonatal Intensive Care Services

Each chapter of the State Health Plan is incorporated by reference in the Code of Maryland Regulations (COMAR).

The plan development process used by the Commission has typically involved advisory groups and extensive public comment and review prior to formal adoption of plan chapter. In the most recent update of the cardiac services chapter of the State Health Plan, for example, the Commission considered the findings and recommendations of an Advisory Committee on Outcome Assessment in Cardiovascular Care and its subcommittees. To assist in the recent update of the State Health Plan acute care bed need methodology and bed need forecasts for medical-surgical-gynecological-addictions (MSGA) and pediatric services, the Commission formed an Acute Care Hospital Work Group. The planning process used by the Commission also involves extensive data collection and analysis and the preparation of issue and statistical briefs to track key trends in health services utilization. Data sets used to support preparation of the State Health Plan include the HSCRC data on inpatient, ambulatory surgery, and emergency department use as well as the Commission's Maryland Freestanding Ambulatory Surgery Survey, Maryland Hospice Survey, and the Maryland Long Term Care Survey.

Issues and Options

The Task Force received a number of comments regarding the importance of an updated State Health Plan in guiding the CON review process. A large proportion of these comments specifically addressed the need to update the acute care services chapter of the State Health Plan. Although the Commission historically reviewed few hospital CON proposals, this pattern changed a few years ago as hospital utilization increased and financing became more favorable. CON proposals from acute care hospitals now account for the largest volume of the Commission's CON workload. Of the 20 CON proposals currently under review, 13 involve projects from acute care hospitals with total project costs of $1.6 billion. From 2001 to 2005, the Commission will review CON capital projects from almost one-half (22) of the 47 acute care hospitals in Maryland. Because the volume of CON projects submitted for review has increased, the Commission has shifted resources from planning to

CON where possible to address the increased CON workload. As a consequence, limited resources have been devoted to updating the State Health Plan than would otherwise have been the case. Despite resource and workload issues, the Commission has updated the State Health Plan chapters on acute inpatient services (April 2004), cardiac surgery services (March 2004), and obstetric services (February 2005) over the past 18-months.

There are a several approaches to updating the State Health Plan that could be considered. One option would be to defer, to the extent possible, the review of all new CON applications until the State Health Plan is fully revised and updated. Another option would be to continue review of CON applications and focus on updating only those portions of State Health Plan chapters needed to review the types of CON applications likely to be filed over the next 12 to 24-months (e.g., update bed need projections only). A third option would be to target one or two State Health Plan chapters for a full revision annually.